

GARDNER, CARTON & DOUGLAS

1301 K STREET, N.W. DOCKET FILE COPY ORIGINAL

SUITE 900, EAST TOWER

WRITER'S DIRECT DIAL NUMBER

WASHINGTON, D.C. 20005

CHICAGO, ILLINOIS

JOCELYN R. ROY
202-408-7139

(202) 408-7100

FAX: (202) 289-1504

INTERNET: gcdlawdc@gcd.com

September 15, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BY HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: PR Docket 92-257
Amendment of the Commission's Rules
Concerning Maritime Communications

Dear Mr. Caton:

Enclosed, on behalf of WJG MariTEL, are an original and four copies of its comments in the above-referenced proceeding.

Should there be any questions in connection with this transmittal, please do not hesitate to contact the undersigned.

Sincerely,



Jocelyn R. Roy

Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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SEP 15 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

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**Amendment of the
Commission's Rules Concerning
Maritime Communications**

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PR Docket No. 92-257

**COMMENTS
OF WJG MARITEL CORPORATION**

WJG MARITEL CORPORATION

Russell H. Fox
Jocelyn R. Roy
GARDNER, CARTON & DOUGLAS
1301 K Street, N.W.
Suite 900, East Tower
Washington, D.C. 20005
(202) 408-7100

Its Attorneys

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SUMMARY

WJG MariTEL (“MariTEL”) is the largest provider of public coast station services in the United States. MariTEL supports the Commission’s efforts to reduce the regulatory burdens of licensees in the Maritime Service in order to achieve regulatory parity among other commercial mobile radio (“CMRS”) providers and maritime licensees and to spur technological development in the Maritime Service.

MariTEL believes that, because of prior and ongoing public safety obligations imposed upon maritime licensees, the Commission should give special consideration to incumbents in the competitive bidding process and maximum flexibility in the development of their systems, including the adoption of appropriate co-channel protection measures. In contrast, the Commission should not afford the same co-channel protection for land mobile service licensees whose service areas are not calculated based on service over water. Moreover, the FCC should freeze the acceptance of applications by private land mobile radio (“PLMR”) service licensees, granted pursuant to Section 90.283 of the Commission’s rules so that geographic area licensees of maritime spectrum and their customers will enjoy the maximum of the licensed spectrum.

While supportive of operational and technical flexibility, and the use of maritime spectrum for public safety services, MariTEL is opposed to the reservation of maritime spectrum for Coast Guard use or for use by other public safety entities. The reservation of channels for use by public safety licensees or the Coast Guard will reduce the utility of the channels for public coast station licensees. In light of the public safety services already performed by public coast station operators, further reservation of spectrum for public safety purposes is unwarranted.

Finally, MariTEL encourages the Commission to define “small business” to ensure that only truly “small businesses” and incumbent licensees are able to take advantage of any special consideration in the competitive bidding process.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
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Amendment of the)	PR Docket No. 92-257
Commission's Rules Concerning)	
Maritime Communications)	
 To: The Commission		

COMMENTS OF WJG MARITEL CORPORATION

WJG MariTEL Corporation ("MariTEL"), by its attorneys and pursuant to the provisions of Section 1.415 of the Rules and Regulations of the Federal Communications Commission ("FCC" or "Commission"),^{1/} hereby submits its comments in response to the *Second Further Notice of Proposed Rule Making* ("*Second Further Notice*") in the above-referenced proceeding in which the Commission proposed rules designed to promote operational, technical and regulatory flexibility in the maritime service.^{2/}

I. INTRODUCTION

MariTEL is the largest provider of public coast station services in the United States. Its stations cover most of the coastal United States, in addition to the U.S. inland waterways, and consist of 146 transmitter locations each interconnected to MariTEL's control switching office located in Gulfport, Mississippi.

MariTEL has been an active participant in this rule making proceeding and supports the

^{1/} 47 C.F.R. § 1.415 (1997).

^{2/} *In the Matter of Amendment of the Commission's Rules Concerning Maritime Communications*, PR Docket No. 92-257, *Second Report and Order and Second Further Notice of Proposed Rule Making* (released June 26, 1997); *Order Extending Comment and Reply Comment Period* released August 21, 1997.

Commission's efforts to reduce the regulatory burdens in the maritime service and to promote rules that will allow public coast station licensees to compete with other commercial mobile radio service ("CMRS") providers. As MariTEL has noted elsewhere in this proceeding, to date, public coast station licensees have been unable to fully compete with other CMRS providers due to regulatory impediments. This lack of parity between public coast station licensees and other CMRS providers is detrimental to both MariTEL's business and the boating public, which relies upon MariTEL's services to meet a variety of communications requirements, including those related to safety and emergency situations. Accordingly, MariTEL is pleased to have the opportunity to submit these comments.

II. DISCUSSION

A. Proposed Geographic Service Areas

The Commission proposes the elimination of site-based licensing in favor of geographic-area licensing in the maritime service. The Commission believes that, with the elimination of the loading requirements, geographic-based licensing will speed the assignment of channels, reduce regulatory processing burdens and facilitate the development of automated coastal systems while enhancing regulating symmetry among CMRS providers.^{3/}

MariTEL strongly supports the proposed geographic-area licensing scheme and notes that it has long urged the Commission to adopt a geographic-area licensing approach. Geographic licensing will allow public coast station operators to better serve the public. The use of Coast Guard Regions as licensing areas is appropriate because of the requirement of coast station providers to coordinate safety communications services with the Coast Guard. Moreover, the use

^{3/} *Second Further Notice* at ¶¶ 77, 78.

of such broad geographic areas is appropriate in the maritime services, where licensees serve customers who desire service over a wide geographic area. Boaters, for example, will travel the distance of an entire coastline. Accordingly, the services provided by maritime licensees are fundamentally very “wide area” services better provided by geographic area licensees. Geographic licensing will also facilitate greater competition since all CMRS providers will be licensed on a geographic-area basis. Finally, the broad coverage area will encourage spectrum efficiency by permitting licensees to most effectively re-use the channels throughout their geographic service areas.

B. Treatment of Incumbent Licensees

The Commission proposes to allow incumbent licensees to continue to operate under their current authority and to renew, transfer, assign or modify their license in any manner, as long as such modifications do not extend the incumbent licensee’s service area. Additionally, the Commission tentatively concludes that there is no need to provide incumbent operations special consideration in the competitive bidding process.^{4/}

(1) Special Consideration for Incumbent Licensees in the Bidding Process

MariTEL disagrees with the Commission’s tentative conclusion that incumbent licensees should not be given special consideration during the competitive bidding process. Incumbent maritime licensees have been required to engage in public safety related activities, such as maintaining watch on VHF channel 16. As noted below, MariTEL proposes that public coast station licensees continue to be required to demonstrate that they can maintain a channel 16 watch. Accordingly, they have already constructed facilities that are serving the public. Award

^{4/} *Second Further Notice at ¶ 81.*

of a geographic area license to an incumbent licensee, who would be able to simply expand to provide service in areas not yet covered by its site specific license, as opposed to construct new facilities, would necessarily result in quicker services to the public. The provision of service to the public more quickly is particularly important in the maritime services, where operators cooperate with the Coast Guard to provide public safety services.

MariTEL recognizes that in other wireless communications services, the FCC has not provided any benefit to incumbent licensees. However, the ability of incumbent licensees in the maritime services to provide safety services quickly merits different treatment. Accordingly, MariTEL suggests that the Commission adopt favorable bidding procedures for incumbents, such as the use of installment payments and bidding credits. The bidding credits available to incumbent licensees should be the same as those that the Commission proposes to make available to small businesses.

(2) Geographic Area Coverage for Incumbent Licensees

MariTEL requests that the Commission allow incumbent licensees with existing contiguous coverage (as defined by the FCC's existing regulations governing the maritime services) on a single channel to obtain an authorization for that coverage area. The licensee of that coverage area would be permitted, therefore, to relocate its facilities, as appropriate, for that channel, within the combined coverage area. This approach would be similar to the Commission's treatment of incumbent licensees of 800 MHz specialized mobile radio ("SMR") facilities, who are now also permitted to secure a license for their contiguous coverage area.^{5/}

^{5/} See 47 C.F.R. § 90.693 (1997) ([i]ncumbent licensees operating at multiple sites may, after grant of EA licenses has been completed, exchange multiple site licenses for a single license, authorizing operations throughout the contiguous and overlapping 40 dBu field strength contours of the multiple sites).

Regional licensees would be required to afford interference protection to the incumbent licensees within their contiguous coverage areas. As discussed further below, incumbent licensees should also be permitted to use interstitial channels in the same fashion as the Commissions proposed that geographic area licensees use those frequencies.

(3) *Co-Channel Incumbent Protection*

MariTEL agrees with the FCC's plan to provide co-channel protection, using parameters established in Part 80 of the rules, for incumbent maritime licensees. However, similar protection should not be afforded land mobile service licensees, who share these channels with maritime users based upon the channel separation requirements specified in Section 90.283 of the rules.^{6/} First, as the Commission notes, the signals of land mobile users are likely to travel less distance than signals over the water, the environment of coast station licensees. Moreover, the 12 dB desired to undesired signal strength test the Commission proposed for incumbent marine licensees was designed specifically for maritime operations and is not used in the land mobile services. Accordingly, existing land mobile operators should be protected at their currently authorized sites, but with a coverage pattern more appropriate for land mobile operations.^{7/}

In addition, MariTEL believes that the Commission should freeze the acceptance of additional applications for further PLMR use of this spectrum for several reasons.^{8/} First, the FCC recently decided not to permit maritime use of 400 kHz of PLMR spectrum, in light of the

^{6/} 47 C.F.R. § 90.283 (1997).

^{7/} While MariTEL does not suggest a particular expected coverage contour for land mobile operations here, it notes that the Commission has established such contours for the purpose of permitting 800 MHz and 900 MHz incumbent SMR licensees to relocate their facilities in cases where they are not also the geographic area licensee.

^{8/} MariTEL has, under separate cover, simultaneously herewith, submitted an Emergency Request for Stay and Application Freeze, asking that the Commission stop accepting applications from PLMR applicants, pursuant to the provisions of Section 90.283 of the regulations.

significant changes underway in the PLMR bands.^{9/} In light of the significant changes proposed for the public coast station service, similar treatment of PLMR sharing of coast station channels is appropriate. Second, the Commission intends to permit maritime licensees to serve an entire geographic area, including areas covered by the geographic separation distances in Section 90.283 of the rules. In similar circumstances, the Commission has ceased licensing all stations in the geographic area for which it intends to conduct an auction.^{10/} As the Commission has acknowledged in the auctioning of other services, such as 800 MHz and paging, in order for spectrum to be of maximum utility to the auction winner, there should be an identifiable fixed landscape of co-channel licensees, prior to the initiation of the auction. In order to create such an identifiable landscape, the Commission must now cease licensing PLMR users on the VHF public coast station channels. In addition, all existing PLMR users of public coast station spectrum should be required to register their sites and provide a map of their coverage to the public coast station licensee in order to receive any co-channel protection from a regional licensee. Moreover, continued licensing of PLMR users on maritime channels is inconsistent with the Commission's plan to auction the maritime spectrum. In no other service has the Commission conducted an auction for a geographic area license and otherwise continued to permit site-specific licensing in the same area.

(4) Mobile to Mobile Communications

Finally, the Commission asks whether mobile-to-mobile communications should be

^{9/} See *Second Report and Order* at ¶ 73.

^{10/} *Revision of Part 22 and Part 90 of the Commission's Rules to Facilitate Future Development of Paging Systems*, WT Docket No. 96-18, Notice of Proposed Rulemaking, 11 FCC Rcd 3108, 3136-37 (1996) ("Notice") suspending acceptance of new applications for paging channels as of February 8, 1996); *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, *Third Report and Order*, 9 FCC Rcd 7988, 8047-48, (1994) ("CMRS Third Report and Order") (suspending the acceptance of applications for 800 MHz SMR channels).

permitted in coastal areas. MariTEL believes that public coast station licensees should be permitted to provide mobile to mobile communications in coastal areas. This will permit public coast station licensees additional flexibility in meeting customer requirements.

C. Licensing

MariTEL agrees with the Commission that there is a need to license the spectrum on an expedited basis in order to promote the rapid deployment of automated systems. MariTEL urges the Commission to act as expeditiously as possible to license this spectrum. Because public coast station licensees also provide public safety services it is contrary to the public interest to delay the licensing of spectrum that can and will be used to protect the lives and property of the boating public.

(1) Public Safety

The Commission notes that VHF public coast station spectrum and the spectrum allocated for public safety uses are close in proximity and requests comments regarding whether a portion of the VHF spectrum should be allocated for public safety uses. The Commission cites the ongoing proceedings to address the spectrum needs of the public safety community.^{11/} MariTEL fully supports the Commission's goals to ensure that public safety entities are allocated sufficient spectrum. Nevertheless, MariTEL is opposed to the designation of VHF channels exclusively for public safety purposes. In order for public coast station licensees to become viable CMRS competitors and for there to be true parity among CMRS providers, public coast station providers must be able to have access to all of the available VHF channels.

As MariTEL has stated elsewhere, public coast station licensees are unique among

^{11/} *Second Further Notice at ¶ 86.*

CMRS providers in having a direct obligation to provide emergency communications services.^{12/} MariTEL believes this obligation is appropriate because of the nature of maritime communications. Therefore, so long as maritime licensees continue to provide emergency communications services (as MariTEL believes they should) public coast station licensees will be providing public safety services by, as an example, relaying emergency calls to the Coast Guard or other appropriate authorities and by supporting activities such as boater towing. The Commission should not weaken the ability to provide this public safety service in order to satisfy other public safety requirements. As the Commission itself notes, public safety licensees will likely secure the use of additional spectrum as a result of recent legislative actions and ongoing Commission inquiries into the allocation of spectrum for public safety entities.

(2) *Interference Criteria at Regional Borders*

The Commission states that the geographic-area licensing regions it proposes define where stations may be placed on land by regional licensees.^{13/} Because the public coast service is inherently a marine-based service, MariTEL submits that a provider should be permitted to install base stations on land and all adjacent U.S. controlled waters. The Commission should not create separate licensing areas for water areas as it has proposed for other CMRS licensees. For other CMRS licensees, there are distinct markets for land based and marine based customers. For example, in the New Orleans area, one personal communications service ("PCS") carrier might logically serve land areas while another might serve the adjacent areas in the Gulf of Mexico. Unlike other CMRS providers, however, public coast station licensees would serve the

^{12/} MariTEL recognizes that other CMRS providers must provide access to public safety entities through emergency 911 (E911) capabilities. Unlike other CMRS providers, however, public coast station operators must be capable of receiving and transmitting emergency information on a dedicated frequency assignment.

^{13/} *Second Further Notice* at ¶ 87 (a).

same customer base from any marine-based base stations as it would from a land based base station. Moreover, in practical terms, there may be little of the water areas to license, taking into account the coverage of land based public coast station facilities. Often, a public coast station licensee can cover over 100 miles from shore. Because VHF coast stations are designed to provide communications service near shore, it makes little sense to license additional stations far from land, when land based stations already cover a significant portion of the area that might comprise the additional licensing area.^{14/}

D. Coverage Requirements

The Commission requested comment on a number of options related to the establishment of construction benchmarks for regional licensees.^{15/} One suggested option would be to require that public coast station licensees demonstrate that they provide “substantial service” in the regional service area within 10 years. Another option would be to leave the construction requirements unchanged. A third option would be a combination of the first two and would require that licensees provide service to a certain percentage of the population, or of the navigable waterways, within a five year period.

MariTEL favors a strict construction requirement. As MariTEL noted earlier, public coast station licensees have public safety obligations not shared by other CMRS licensees. Accordingly, the Commission cannot allow public coast station licensees the same flexibility as other CMRS providers in determining when to complete construction of their licensed facilities. Accordingly, the Commission should ensure that any construction requirement be related to

^{14/} MariTEL recognizes that this coverage area is greater than that envisioned by the Commission's rules. Nevertheless, the coverage is realistic in many instances. It would be contrary to the public interest and constitute inefficient use of the spectrum to require public coast station licensees to restrict their operations in order for the Commission to create additional marine based licensing areas.

^{15/} *Second Further Notice at ¶ 88.*

service of waterways and not land areas. Because public coast station licensees' obligations are to provide service (both emergency and otherwise) to vessels at sea, licensees should not be permitted to satisfy coverage requirements by serving land areas. MariTEL suggests that regional licensees be required to construct at least ten percent of their authorized channels within one year, along eighty percent of the navigable waterways covered by their authorization. In this fashion, the significant majority of the navigable waterways will be provided with a minimum level of coverage. The one year construction requirement is consistent with the existing construction requirement for coast stations.

Subsequently, coast station licensees should be required to construct at least fifty percent of their authorized channels within five years, along fifty percent of the navigable waterways covered by their authorization. They would be required to maintain service with the initial ten percent of the constructed channels over the eighty percent of the coverage area referenced above. Finally, by the end of the ten year license term, licensees should be required to employ at least fifty percent of their authorized channels over eighty percent of the navigable waterways included in their regional service area.

These requirements should be imposed despite the presence of any incumbent licensees. Because the maritime service is characterized by vessels traveling, for example, up and down a coastline, licensees should not be able to meet the coverage requirement, unless they actually cover the entire licensed area. Providing “substantial service” or niche markets ignores the fundamental nature of the maritime service.^{16/}

^{16/} The requirement to provide service, despite the presence of incumbent licensees is consistent with the approach the Commission has taken in the past in instances where it has awarded geographic area licenses in services where there are incumbent licensees.

E. Partitioning and Disaggregation

The Commission proposed the use of partitioning and disaggregation for the public coast service.^{17/} MariTEL supports the Commission's proposals but urges the Commission to specify that a regional licensee that partitions or disaggregates its license should still be held ultimately responsible for the construction requirements outlined above.

F. Technical Flexibility

The Commission proposes that incumbent and regional licensees be permitted to use narrowband channels, in a manner similar to their use in Automated Marine Telecommunications Systems ("AMTS").^{18/} MariTEL is strongly in favor of permitting auction winners to use their channels in whatever manner they deem appropriate, including using the "offsets" of the current 25 kHz channels. This flexibility should be expanded to incumbent licensees, who should also be permitted to use the full bandwidth of their channels as they see fit.

MariTEL is aware that the U.S. Coast Guard (the "Coast Guard") has proposed the reservation of some "offset" channels for an Automatic Identification System ("AIS").^{19/} MariTEL is fully supportive of the Coast Guard's efforts to ensure the safety of the boating public and believes that the Coast Guard's use of "offset" channels may be an appropriate means by which to meet those requirements. However, MariTEL is concerned about any reservation of specific channels for Coast Guard or other use. MariTEL supports the adoption of regulations that would require public coast station licensees to make available, on a cooperative and mutually acceptable basis, channels for public safety use by the Coast Guard as part of a coast

^{17/} *Second Further Notice at ¶ 91.*

^{18/} *Second Further Notice at ¶ 96.*

^{19/} *See Petition for Rule Making* filed by the United States Coast Guard ("Coast Guard Petition"), which, among other things, requests that two VHF maritime narrowband channels in each area be made available specifically for Automatic Identification Systems ("AIS") and related safety systems.

station licensee's required public safety obligations. However, the designation of particular channels for Coast Guard use would reduce the pool of available channels to the detriment of public coast station licensees, and ultimately, the boating public. As discussed above, public coast station licensees require the full complement of available channels in order to effectively compete with other CMRS providers. Reducing the number of available channels would frustrate this goal, particularly when the Commission can both accommodate the needs of public coast station licensees and the Coast Guard in the manner that MariTEL suggests. Moreover, as noted above in the context of further PLMR licensing of coast station channels, the reservation or continued licensing of channels subject to auction is contrary to the goal of making channels available on a geographic area basis to a licensee, who would be able to use the channels in the most efficient manner possible.

Further, the Commission should not specify a particular band plan, but should permit licensees to use the spectrum in the most spectrally efficient manner possible, as long as they do not cause harmful interference to adjacent channel licensees. Such technical flexibility, like the use of 12.5 kHz "offset" channels, will allow licensees the opportunity to serve additional customers consistent with current technological capabilities. If international regulations specify a band plan other than that used by the coast station licensee, the FCC can later adopt regulations that will require licensees to conform with that standard. Licensees should have the choice of deciding for themselves to adopt the use of technology which is not yet the subject of international standards. There is no reason, however, for the FCC to restrict that flexibility today. Both marine-based and land-based stations should have the same level of operational and technical flexibility.

G. Operational Flexibility

The Commission asks whether public coast stations, including those located far from navigable waterways, should be afforded additional flexibility to provide fixed or hybrid CMRS services.^{20/} Maritime licensees, including those located far from navigable waterways, should be permitted operational flexibility. However, MariTEL is concerned that significant operational flexibility will dilute a licensee's obligation to provide essential maritime services to the public. MariTEL has elsewhere addressed this issue, in response to the Commission's plan to increase operational flexibility and efficiency by allowing VHF public coast stations, including AMTS to serve both fixed and mobile units on land as long as the licensee gives priority to maritime communications, utilizing any "appropriate electrical or mechanical means." In particular, MariTEL has asked the Commission, under those circumstances, to require public coast station licensees to submit a plan detailing the specific method by which priority to maritime communications would be achieved.^{21/}

MariTEL believes that maritime licensees must be required to serve the maritime community on a primary basis before providing any secondary services to the public. If accorded significant flexibility, regional licensees may choose to offer no maritime services, and still be able to meet coverage requirements that do not relate to navigable waterways. Accordingly, before they are able to offer non-maritime services, regional licensees must be required to demonstrate that they are capable of providing, on a primary basis, service to the maritime community consistent with the stringent construction requirements proposed by MariTEL.

^{20/} *Second Further Notice at ¶ 98.*

^{21/} *See MariTEL's Petition for Reconsideration at 4, 5.*

H. Regulatory Status

The Commission proposes requiring regional licensees to provide sufficient detail about the specific service that they will offer in order for the Commission to determine whether service will be offered as a CMRS or private land mobile radio service.^{22/} MariTEL supports this approach but believes that, in light of the unique public safety services provided by public coast stations, licensees should be required to notify the Commission if they alter the type of service offered. The Commission should also forbear, to the maximum extent possible, from imposing common carrier requirements on public coast stations. These requirements are unnecessary and do not serve the public interest.

I. Safety Watch

The Commission proposes the elimination of the continuous channel 16 safety watch by rule, instead of the current exemption requirements, in cases where other federal state or local governments maintain a continuous watch on channel 16. MariTEL supports the Commission's proposed elimination of the requirement to seek exemption of the safety watch. Where the Coast Guard maintains watch, it is unnecessary for public coast licensees to do so. Modification of the rules, to reflect this circumstance is appropriate, rather than requiring licensees to obtain waiver of the regulations in easily definable situations. Nevertheless, MariTEL believes that the Commission must continue to ensure that public coast station operators remain capable of resuming a safety watch in the event that the Coast Guard is unable to do so, even when the Coast Guard normally provides such a watch. Accordingly, public coast stations should be required to demonstrate that they have the technical capability to resume a watch requirement at

^{22/} *Second Further Notice at ¶ 100.*

any time.^{23/}

J. Competitive Bidding Procedures

The Commission requests comments regarding the classification of "small business" for purposes of competitive bidding.^{24/} The Commission should ensure that only truly "small" public coast station entities receive the benefits proposed. Therefore, MariTEL suggests that the Commission examine not only the revenue, but also the assets, of the applicant, its affiliates, and attributable investors of public coast station bidders. This approach is similar to how the Commission has measured applicants' small business status elsewhere.^{25/} Investors should be considered attributable if they have an interest of twenty percent or more in the applicant, similar to the Commission's approach in the 900 MHz SMR auction.^{26/} In addition, gross revenues for those entities defined as small businesses should not exceed \$3 million, averaged over the past three years. This level of income, which the Commission has employed elsewhere,^{27/} represents

^{23/} MariTEL's recommendation that public coast station licensees continue to serve a public safety role is consistent with its position in the Petition for Reconsideration in this proceeding. There, MariTEL stated that although it is unnecessary for a licensee to have an operator at every radiotelephone control point, the Commission should require that a public coast station licensee post an operator at any point within its system so that a vessel may access the operator if it becomes necessary in order to maintain public safety.

^{24/} *Second Further Notice at ¶ 125.*

^{25/} See e.g. *Implementation of Section 309 (j) of the Communications Act -- Competitive Bidding, Fifth Memorandum Opinion & Order*, 10 FCC Rcd 403 (1994).

^{26/} *In the Matter of Parts 2 and 90 of the Commission's Rules to Provide for the Use of 200 Channels Outside the Designated Filing Areas in the 896-901 MHz and the 935-940 MHz Bands Allotted to the Specialized Mobile Radio Pool; Implementation of Section 309 (j) of the Communications Act -- Competitive Bidding; Implementation of Sections 3(n) and 332 of the Communications Act, Second Order on Reconsideration and Seventh Report and Order*, 11 FCC Rcd 2639 (1995).

^{27/} See e.g. *Revision of Part 22 and Part 90 of the Commission's Rules to Facilitate Future Development of Paging Systems, Second Report and Order and Further Notice of Proposed Rule Making*, 12 FCC Rcd 2732, 2811 (1997) (small business is defined as an entity that, together with affiliates and controlling principals, has average gross revenues for the preceding years of not more than \$3 million or not more than \$15 million); 47 C.F.R. §90.912 (b) (1) (for purposes of the upper 10 MHz of 800 MHz Specialized Mobile Radio Service, a small business is defined as one that, together with its affiliates, persons or entities that hold attributable interests in such entity, and their affiliates, has average gross revenues that are not more than \$3 million or not more than \$15 million for the preceding three years); and 47 C.F.R. § 90.814 (b) (1) (for purposes of the 900 MHz SMR service, a small business is defined as one that, together with its affiliates, persons or entities that hold attributable interests in such entity and their affiliates, has average gross revenues that are not more than \$3 million or not more than \$15 million for the preceding three years).

the level of income a small business entity in the maritime services today can expect to produce. By setting the income level at a higher level, the Commission will allow larger companies to compete with the same bidding credits as today's public coast licensees. As noted above, the benefits proposed for small businesses should be extended to incumbent licensees as well.

III. CONCLUSION

MariTEL notes that the actions taken by the Commission in this proceeding are long overdue and encourages the Commission to move forward, consistent with the opinions expressed herein, to foster the ability of maritime service providers to compete effectively in the telecommunications market place.

Respectfully submitted,

WJG MARITEL CORPORATION

By: 

Russell H. Fox

Jocelyn R. Roy

GARDNER, CARTON & DOUGLAS

1301 K Street, N.W.

Suite 900, East Tower

Washington, D.C. 20005

(202) 408-7100

Its Attorneys

Dated: September 15, 1997